# Option Spread Risk Disclosure

# 期權價差交易風險聲明

**Before using our spread order entry screen, options spread traders must understand the additional risks associated with this type of trading.**

While it is generally accepted that spread trading may reduce the risk of loss of trading of the outright purchase of a standardized option contract, an investor/trader MUST understand that the risk reduction can lead to other risks.

1. Early exercise and assignment can create risk and loss. Spreads are subject to early exercise or assignment that can remove the very protection that the investor/trader sought. This can lead to margin calls and greater losses than anticipated when the trade was entered. Under the current T+1 settlement cycle, the compressed settlement timeline means that investors/traders have a significantly shorter window to respond to assignment notices, meet margin obligations, and manage resulting positions. Additionally, the elimination of late exercise by The Options Clearing Corporation means that all exercise decisions must be made within the standard cutoff times, with no opportunity for after-the-fact exercise submissions.

2. Intraday margin requirements may amplify risk. In addition to standard margin requirements, spread positions may be subject to intraday margin add-on charges designed to address risks arising from intraday and overnight trading activity. These intraday margin assessments may result in margin calls during the trading day, potentially requiring investors/traders to deposit additional funds or liquidate positions on shorter notice than traditional end-of-day margin calls. Early assignment on one leg of a spread may trigger additional intraday margin obligations that exceed the originally anticipated risk of the position.

3. Execution of spread orders is "not held" and discretionary. Spreads are not standardized contracts as are exchange traded puts and calls. Spreads are the combination of standardized put and call contracts. There is NO spread market in securities that are subject to such benchmarks such as "time and sales" or "NBBO" (National Best Bid/Offer) and therefore the "market" cannot be "held" to a price.

4. Spreads are executed differently than "legged" orders. Spreads are used by strategists as examples of risk protection, profit enhancement and as a basis for results and return on investments. However, these strategies assume that the trade can actually be executed as a spread when market forces may and can make the actual execution impossible. Spreads are bona-fide trades and not "legged" or "paired" of individual separate trades. For example: options prices on cross-markets are misleading for the spread trader. An option may be offered

on one exchange and bid on another exchange that can lead the trader to believe that their spread trade should be filled, when, in fact, the bids and offers must be on the SAME exchange. All bona-fide spreads are routed and executed on "one" exchange.

5. Spreads are entered on a single exchange and are acted upon by a market maker. Spreads are executed at the discretion of a market maker and when cancelled or filled require that the market maker take manual action and require manual reporting at times. Delays for reporting of fills and cancels may create additional risks in fast or changing markets. Spreads entered through Firstrade's spread order entry screen are ALWAYS entered as spreads and as such are subject to the market risk and conditions as explained above.

6. Settlement risk under T+1. The standard settlement cycle for equity transactions is one business day after the trade date (T+1). In the context of spreads, this accelerated settlement timeline requires that investors/traders be prepared to meet delivery and payment obligations more quickly following exercise or assignment. Investors/traders should ensure they maintain sufficient funds or securities in their accounts to meet potential settlement obligations arising from spread positions within the T+1 timeframe.

**IMPORTANT NOTICE:** Options trading involves significant risk and is not appropriate for all investors. Options strategies, including spreads, can result in the loss of the entire amount invested and, in some cases, losses may exceed the initial investment. Before trading options, you are expected to read the booklet entitled *Characteristics and Risks of Standardized Options*, which describes the risks associated with options trading, including the specific risks of spread transactions, early exercise, and assignment. This booklet is available at the Firstrade Form Center — Disclosures section, or directly from The Options Clearing Corporation at: https://www.theocc.com/company-information/documents-and-archives/options-disclosure-document.

By using Firstrade's spread order entry screen, you acknowledge that you have received, read, and understand the risks described in this Option Spread Risk Disclosure and the *Characteristics and Risks of Standardized Options*.

# 期權價差交易風險聲明

在使用本公司價差交易下單介面之前，期權價差交易者必須了解此類交易所涉及的額外風險。

雖然一般認為價差交易可能降低直接買入標準化期權合約所面臨的損失風險，但投資者/交易者必須了解，降低風險的同時可能引發其他風險。

1. 提前行權與被指派可能造成風險及損失。價差交易可能面臨提前行權或被指派的情況，從而消除投資者/交易者原本尋求的保護。這可能導致追加保證金通知，以及超出建倉時預期的更大損失。在現行 T+1 結算週期下，縮短的結算時限意味著投資者/交易者在收到指派通知後，用於回應指派通知、履行保證金義務及管理持倉的時間將大幅縮短。此外，美國期權結算公司（The Options Clearing Corporation）已取消逾時行權機制，所有行權決定必須在標準截止時間內作出，不再允許事後補交行權指令。

2. 盤中保證金要求可能加劇風險。除標準保證金要求外，價差持倉可能須繳納盤中保證金附加費用，以應對盤中及隔夜交易活動所產生的風險。此類盤中保證金評估可能導致交易日內的追加保證金通知，要求投資者/交易者在比傳統日終追加保證金更短的時間內存入額外資金或平倉。價差交易中一方合約的提前被指派可能觸發超出原始預期持倉風險的額外盤中保證金義務。

3. 價差交易委託為「非固定持有」且具有自由裁量性質。價差交易並非如交易所上市的認沽權及認購權般屬於標準化合約，而是由標準化認沽權及認購權合約組合而成。證券市場中並不存在受「時間與成交紀錄」（time and sales）或「全國最佳買賣報價」（NBBO, National Best Bid/Offer）等基準約束的價差市場，因此價差交易的「市場價格」無法被「固定」於某一價位。

4. 價差交易的執行方式不同於「分腿」委託。策略分析師常以價差交易作為風險保護、利潤增強及投資回報分析的範例。然而，這些策略假設交易能夠以價差方式實際執行，而市場力量可能使實際執行變得不可能。價差交易為真實完整的交易，而非將個別交易「分腿」或「配對」。例如：跨市場的期權價格對價差交易者而言可能產生誤導。某一期權可能在某交易所有賣出報價，而在另一交易所有買入報價，這可能使交易者誤以為其價差交易應被成交，但實際上買賣報價必須在同一交易所內。所有真實的價差交易均在「一個」交易所內路由及執行。



內容以英文為準，中文翻譯僅供客戶參考

5. 價差交易在單一交易所輸入並由做市商處理。價差交易由做市商自行裁量執行，取消或成交時可能需要做市商採取人工操作及人工回報。在快速變動的市場中，成交及取消的回報延遲可能產生額外風險。透過第一證券（Firstrade）價差交易下單介面輸入的委託**始終**以價差方式提交，因此受上述市場風險及條件所約束。

6. T+1 結算風險。股票交易的標準結算週期為交易日後一個營業日（T+1）。在價差交易的情境下，此加速結算時限要求投資者/交易者在行權或被指派後，須更快速地準備履行交割及付款義務。投資者/交易者應確保其帳戶中保有足夠的資金或證券，以在 T+1 時限內履行因價差持倉所產生的潛在結算義務。

重要通知：期權交易涉及重大風險，並非適合所有投資者。包括價差交易在內的期權策略可能導致全部投資金額的損失，在某些情況下，損失可能超過初始投資額。在進行期權交易之前，您應閱讀名為《標準化期權的特性與風險》*Characteristics and Risks of Standardized Options* 的手冊，其中說明了與期權交易相關的風險，包括價差交易、提前行權及被指派的特定風險。該手冊可於第一證券表格中心——揭示書專區取得，或直接從美國期權結算公司網站取得：
https://www.theocc.com/company-information/documents-and-archives/options-disclosure-document

使用第一證券價差交易下單介面，即表示您確認已收到、閱讀並理解本**期權價差交易風險聲明**及《標準化期權的特性與風險》*Characteristics and Risks of Standardized Options* 的手冊中所述之風險。